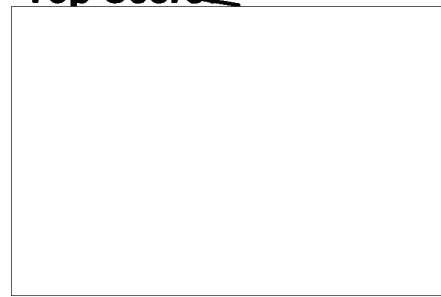




Director of
Central
Intelligence



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National Intelligence Daily

**Friday
6 November 1987**



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European Port
Access Allegedly
Restricted /

West European naval forces in the Persian Gulf area appear to have lost access to Omani and United Arab Emirates' ports on the Gulf of [Redacted] The UAE, however, will allow use of its ports on the Persian Gulf [Redacted]

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Comment: The source's remarks have not been confirmed. If true, the Omani and the UAE decisions probably stem from concern about antagonizing Iran by supporting a larger Western naval presence in the region. The West European naval forces will find it more difficult to sustain their presence in the area without port facilities on the Gulf of Oman unless they elect to operate out of ports on the more dangerous southern Persian Gulf. The West European navies could also seek additional support from Djibouti, but this would limit their presence in the Gulf of Oman. The UAE and Oman might reverse their decision if Iran resumed mining the Gulf of Oman. [Redacted]

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NICARAGUA:**Complying With Peace Plan**

Nicaraguan President Ortega last night outlined steps Managua is taking to appear in compliance with the Central American peace plan. ()

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Citing Nicaragua's willingness to comply fully with the peace plan, Ortega agreed to begin indirect cease-fire negotiations with insurgent leaders through an intermediary. Although no details on rebel-government talks were announced, the President stressed they would be only for arranging a cease-fire and not a political dialogue. Ortega also said the four small cease-fire zones unilaterally declared last month would no longer have that status. ()

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The President will immediately pardon nearly 1,000 political prisoners, according to the press. Ortega also indicated he had sent decrees to the Sandinista-dominated National Assembly granting amnesty to those imprisoned for counterrevolutionary crimes and lifting the state of emergency, but both measures would be "frozen" until Washington stops supporting the anti-Sandinista insurgents. ()

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Initial domestic reaction has been mixed. According to the press, the opposition party representative on the National Reconciliation Committee said that the regime's willingness to begin talks with the rebels was "extremely important" but that the government had taken only a "half step." ()

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Comment: Ortega's call for cease-fire talks with insurgent leaders is a reversal of longstanding regime policy and stands in sharp contrast to recent hardline comments by the Sandinista Party principals. The Sandinistas probably calculate the move will win international support and help undercut criticism from regional political leaders that Managua's refusal to negotiate with the rebels has been the chief obstacle to peace in the region. The regime probably also hopes that agreeing to cease-fire talks, albeit indirectly, may undermine the morale of rebel fighters. ()

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The rebels recently have been calling for Cardinal Obando y Bravo to serve as an intermediary, but the final choice is up to the government. The Sandinistas, aware of the Cardinal's pro-insurgency sympathies, may opt to select a less critical individual. Managua may believe, however, that using the National Reconciliation Committee, headed by the Cardinal but dominated by the Sandinistas, as an intermediary would win more propaganda points. ()

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**EASTERN
EUROPE-USSR:****Gorbachev on Bloc Diversity**

General Secretary Gorbachev's endorsement of Soviet Bloc diversity in his speech on foreign policy this week and the call by a leading party spokesman on ideology for reexamination of the 1968 Prague reforms and their aftermath probably will intensify factional strife in Czechoslovakia and elsewhere in the region.

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In his speech on Monday, Gorbachev emphasized the equality of all Communist states, party responsibility for domestic economic and political conditions, and the diversity of forms of voluntary cooperation among Bloc countries. In speaking to East European and other foreign delegations in Moscow two days later, he endorsed the "diversity of experience" of Communist regimes and denounced the "arrogance of omniscience"—a seeming reference to Bloc policies pursued by previous Soviet leaders. In a press conference that day, the head of the Soviet party's ideological think tank, Georgiy Smirnov, said it was time to reexamine the events of 1968 in Czechoslovakia, including the USSR's intervention.

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Comment: Any Soviet reexamination of history that extends to events in Eastern Europe and Moscow's policies toward the region is likely to have a far-reaching impact on Moscow's allies. It probably will widen splits between reformers and hardliners in the Czechoslovak leadership, which bases its legitimacy on its crushing of the 1968 reforms. The East Germans will worry that a reexamination might extend to the 1953 uprising and to the construction of the Berlin Wall in 1961.

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Gorbachev's denunciation of Stalin and his policies in Monday's speech is probably also unsettling to the Ceausescu regime, whose policies in Romania strongly resemble those that Gorbachev rejected. All East European leaderships, moreover, are probably worried about possible public exposure of the Cold War trials and executions in Eastern Europe in the late 1940s and early 1950s.

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Opponents of change in Poland, Czechoslovakia, and Hungary as well as the East German and Romanian leaderships will argue that Gorbachev's reaffirmation of strong party rule and tolerance of diversity allow them to reject *glasnost* and restructuring. Proponents of reform, meanwhile, will interpret Gorbachev's remarks on mutual respect and voluntary economic cooperation within the Bloc as a green light for economic reforms and closer ties to the West. Moscow's statements will increase uncertainty within the region and with it the prospect of instability.

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SOUTH ASIA:**India Manages SAARC Summit Outcome**

India dominated this week's diplomatic deliberations at the South Asian Association for Regional Cooperation summit just as it has intimidated neighboring states in recent months by flexing its military and economic muscle. [redacted]

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Delegates from the seven member countries signed a convention on terrorism, established a 200,000-ton food security reserve, and formed a consortium of nine national airlines. New Delhi remanded to committees the proposals by others on nuclear nonproliferation, foreign financing of development projects, and sharing of information on drug trafficking, according to diplomatic reporting. [redacted]

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India encouraged SAARC members to consider Afghanistan's application for membership as coming from a contiguous, nonaligned nation, even though New Delhi expected Islamabad's objections to stall the initiative, according to the US Embassy. [redacted]

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Prime Minister Gandhi's bilateral discussions were more successful, according to diplomatic and press reports. Sri Lankan President Jayewardene is to meet with Gandhi in New Delhi today to clarify "misunderstandings" about implementing their peace accord. New Delhi and Islamabad have announced they will resume bilateral talks this winter on nuclear, security, and economic matters. [redacted]

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Comment: Gandhi has to be pleased with his control over the outcome of the summit. He was able to assert India's preeminence, while deferring to other members' pride with a show of flexibility on the terrorism issue. As the only producer of foodgrain surpluses, India could insist on regional self-reliance in all economic areas. Gandhi probably tried to privately reassure the other leaders that his Sri Lankan intervention and Indian military exercises on the Pakistani border last winter do not preclude progress on bilateral issues, but they probably remain skeptical. [redacted]

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New Delhi's activist policies in the region have won both US and Soviet support, except in the case of Afghanistan, where New Delhi's interests line up more closely with those of Moscow. The Indians do not want a radical Islamic regime in Kabul, and their increased diplomatic activity on behalf of Afghanistan may reflect New Delhi's assessment that Afghan resistance successes this year, as well as General Secretary Gorbachev's apparent interest in a face-saving way of reducing Moscow's commitment in Afghanistan, may enhance the influence of radical Muslims. New Delhi apparently believes that its diplomatic efforts on behalf of Kabul will build up its capital with the Soviets without arousing more than limited, short-lived irritation in Washington. [redacted]

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WESTERN EUROPE: Outcome of WEU Ministerial

Foreign and Defense Ministers of the Western European Union adopted a "European Security Platform" at their meeting last week, and some members are considering a role for the revitalized organization in determining and supporting nuclear force modernization requirements in the post-INF era. [REDACTED]

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In the text of the Security Platform, the seven WEU countries supported NATO's strategy of nuclear deterrence and clearly endorsed the continued need for US troops in Western Europe. The documents recognized the importance of French and British nuclear deterrent forces but failed to endorse modernization plans. [REDACTED]

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Officials in the British Foreign Office believe the Platform is an important step in revitalizing the WEU and have asked the US Embassy in London for Washington's views on using the WEU to encourage Allied support for nuclear force modernization in the wake of an INF agreement. These officials believe talks in the WEU would improve prospects for the Belgians and the Dutch to accept additional deployments of US dual-capable aircraft as part of NATO's compensatory measures. [REDACTED]

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Comment: The French and the British would have preferred a clearer endorsement of their independent nuclear forces and planned modernization programs. However, the nonnuclear Allies, particularly the Italians, did not want to exempt indefinitely the French and the British nuclear systems from the arms control process. [REDACTED]

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WEU members have become more candid in their use of the organization to openly develop a European consensus on defense issues because most believe that Washington has become more supportive of its activities. Adoption of the British proposal to raise nuclear modernization in the WEU would mark the first time the WEU has addressed specific nuclear deployments—matters normally reserved for NATO. London evidently calculates that a "European" consensus reached via the WEU would make it easier for smaller allies to win public support for nuclear modernization, but the British may be overestimating the readiness of the Dutch and the Belgians to eventually endorse nuclear weapons modernization. However, French participation in such discussions probably would make it more difficult for the West Germans to resist a West European position favoring nuclear force modernization. [REDACTED]

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COLOMBIA:**New Insurgent Tactics**

Last month's grand alliance of Colombian insurgent groups has increased the likelihood of terrorist attacks in Bogota and complicated President Barco's efforts to rebuild a truce with the Revolutionary Armed Forces of Colombia (FARC), the largest rebel faction. [redacted]

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Government forces in Bogota and other cities will remain on alert through the weekend against terrorist acts commemorating the second anniversary of M-19's seizure of the Palace of Justice.

[redacted] have reported that M-19 intends to seize a foreign embassy, occupy radio stations, hold protest marches, and conduct bombings or assassinations in the capital. Other rebel groups reportedly may assist in the attacks. [redacted]

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FARC resumed talks with the government this week for the first time since the group's widely condemned ambush of a military unit in June; it is trying to maintain an appearance of good faith in prolonging its deteriorating three-year-old truce with Bogota. Both sides had made minor concessions in order to renew the dialogue. According to the press, the government accepted rebel demands to reestablish the independent commission to monitor truce compliance that existed in the previous administration. FARC has tacitly accepted the government's requirement that peace talks must address eventual guerrilla disarmament, according to the US Embassy [redacted]

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Comment: M-19 and FARC joined the other rebel factions last month to form the Simon Bolivar Guerrilla Coordinator, an alliance that has already carried out several attacks, including a bombing at Ministry of Defense Headquarters in Bogota last month. The accord will probably revive M-19's declining strength by facilitating its access to funds and equipment from other groups. At the same time, cooperation with M-19 and other guerrillas has given FARC—the alliance's de facto leader—the ability to plan and direct terrorist attacks without openly violating the truce. [redacted]

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FARC's primary short-term objective is consolidation of local political power, and its leaders are trying to improve their image and the electoral prospects of rebel-backed mayoral candidates next spring. They will probably continue to moderate their public stance toward negotiations but use the new alliance to increase targeting of government officials and facilities in both urban and rural areas. Despite several high-casualty ambushes by other rebel factions over the past week, the government has chosen to ignore the guerrilla alliance to preserve the truce. [redacted]

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POLAND: Dissident Meeting

Lech Walesa and some 70 dissidents, many of whom are also associated with Solidarity, will meet in Warsaw tomorrow, according to the US Embassy in Warsaw. A number of independent Catholics and intellectuals are expected to participate. The agenda has not been disclosed, but the meeting probably will concentrate on a response to the regime's referendum on proposed economic and political reforms set for 29 November. A similar broadly based meeting of dissidents was convened by Solidarity in May just before the visit by Pope John Paul II. []

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Comment: The wide spectrum of dissidents likely to participate may lead Solidarity to change its decision to boycott the referendum, a decision that has provoked controversy among the opposition. The group may even issue a public statement postponing a final decision until a wider range of public opinion, including opposition views, has been aired. In the meeting last May, discussion among members with widely divergent views produced a moderate statement on reforms that seems to have reflected the influence of independent churchmen who are willing to discuss reform with the regime. []

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POLAND: Another Debt Rescheduling

Poland and its Western government creditors initialed an agreement last week to reschedule \$8.5 billion of principal and interest due in the period 1986-88—one-fourth of Poland's outstanding debt. Warsaw will have to pay only \$1 billion in debt service during 1987-88 because of its limited earnings and will spread the remaining payments over 10 years. Some \$290 million in overdue payments on its 1981 rescheduling agreement are to be paid in four monthly installments—the first due before the new accord can be signed next month. The Poles also pressed for new credits and for support in obtaining a large IMF loan. []

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Comment: The accord, together with the long-term rescheduling granted earlier by the banks, gives Warsaw some breathing room in dealing with its economic problems. However, the generous terms of the agreement—which Western creditors hoped would encourage Poles to add to the \$140 million already paid this year—probably are not enough to preclude further reschedulings that may be needed before 1990. Poland may receive new loans from Western creditors as a result of the rescheduling but probably faces long negotiations on an IMF standby agreement. Still, this easing of the debt burden creates the image of continuing momentum for President Jaruzelski's reform efforts. []

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ARGENTINA: Debt Moratorium Threatened

President Alfonsin has told the US Embassy that Buenos Aires may declare a moratorium on its foreign debt as early as today unless the IMF grants a waiver on missed performance targets and releases a \$210 million loan. Buenos Aires believes the IMF reneged on an earlier promise to grant a waiver on the basis of the Argentine economic austerity package introduced last month. According to officials in Buenos Aires, the Fund is refusing to overlook Argentine noncompliance unless Buenos Aires raises interest rates, further devalues the austral, and establishes a contingency plan in case the legislature fails to pass new tax measures. [REDACTED]

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Comment: The attempt by Buenos Aires to force the IMF's hand is inspired in part by the concessions recently offered to Brazil, which has no IMF program and has been far less cooperative with creditors than Argentina. Alfonsin probably believes political pressure from his own party and from the revitalized Peronist opposition affords him little leeway to quicken the pace of economic reform. Because of the precarious state of Argentine reserves—possibly less than \$300 million—and the almost certain loss of more than \$1 billion from other lenders if the IMF tranche is not disbursed, refusal by the Fund to grant a waiver would force Buenos Aires to suspend interest payments, at least temporarily. [REDACTED]

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CUBA-USSR: Castro Late for Moscow Celebrations

President Castro's late arrival in Moscow on Wednesday for events marking the 70th anniversary of the Bolshevik Revolution is his most recent display of displeasure with Soviet pressure to adopt internal reforms. [REDACTED]

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Castro and Vice President Rodriguez delivered speeches in Moscow emphasizing the validity of seeking independent paths within "socialism." [REDACTED]

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Comment: Castro's failure to attend Gorbachev's speech and the remarks by him and Rodriguez underscore Havana's refusal to apply the General Secretary's reform program to Cuba. [REDACTED]

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[REDACTED] Moscow has so far tried to avoid open confrontation with Castro but is probably increasing its pressure on Havana in private. Recent questions in Soviet media about Cuba's military and economic policies may indicate that Moscow is considering stronger measures and might threaten an aid cutback. [REDACTED]

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CHINA: Party Elders Retain Clout

The 13th Party Congress last Friday adopted a report critical of the work of the Party's Central Advisory Commission—a group of semiretired party elders. The report, prepared under the direction of Deng Xiaoping, who resigned the Commission's chairmanship on Monday, berated the elders' continued meddling in policy and their manipulation of former subordinates but offered no concrete solutions. It called on seniors to obey the new party leadership and lend greater support to current economic reforms. It repeated standard characterizations of the Advisory Commission as a transitional organization—language first used in 1982. [REDACTED]

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Comment: The report indicates the serious problems Deng faces in trying to retire the elders, despite his success in easing more of them into semiretirement at the congress. The report concedes that these elders—many wary of the current pace of reforms—retain great personal influence in their old sectors and still affect policymaking, despite formal retirement to the Commission. Deng's own continued tenure as chairman of the party Military Commission and his periodic need for the support of senior leaders will limit his ability to curb such practices. [REDACTED]

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SOUTH AFRICA: Black Activist Freed

Pretoria's release of leading ANC member Govan Mbeki probably does not signal the imminent release of Nelson Mandela nor is it likely to lead to serious negotiations with credible black leaders. At a press conference yesterday, Mbeki flaunted his continuing memberships in the South African Communist Party and the ANC, both outlawed groups. A government official said, however, Mbeki cannot in the future be quoted by the media. []

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Comment: The move appears intended as a gesture to the West and to black leaders who have refused to participate in the government's proposed advisory national council until Pretoria meets several conditions, including the release of all political prisoners. Key black opposition leaders, however, will continue to reject the council as long as it is merely advisory, and even moderate blacks, such as Chief Buthelezi, will probably continue to insist on Mandela's release. Pretoria publicly and privately has hinted often in recent years that it was considering releasing Mandela and will use Mbeki's release in part to test domestic and international reaction. Freedom for Mandela is unlikely soon, however, because Pretoria realizes his release would result in increased domestic and foreign pressure to enter into open-ended political negotiations with Mandela. President Botha remains firmly opposed to any such talks. Pretoria probably hopes Mbeki's release will promote greater strife within the ANC leadership, a distinct possibility given his controversial past and Communist ideology. []

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FIJI-PAPUA NEW GUINEA: Suva Gains Diplomatic Recognition

Papua New Guinea yesterday became the first government to recognize the military-led republic in Fiji established after Colonel Rabuka's second coup in September. Prime Minister Wingti said he wanted to prevent Fiji from becoming isolated following its expulsion from the Commonwealth last month. []

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Comment: Wingti's initiative is probably an attempt to increase Papua New Guinea's influence among the 13-member South Pacific Forum and to assert its independence from dominant Australia and New Zealand, which are withholding recognition of the Fijian Government until early next year. Port Moresby's recognition is also aimed at maintaining relations with its ethnically linked neighbor and at encouraging other South Pacific governments to follow suit at a time when Melanesian ethnicity is a growing political force among the small, multiracial Pacific island states. []

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In Brief**Africa**

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- **Tanzania's** ruling-party chairman, Julius Nyerere, dismissed two leading party advocates of economic reform . . . move signals socialist leader's intent to reassert authority, control pace of President Mwinyi's economic reforms. []

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Middle East

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- **PLO** Chairman Arafat in Moscow, met briefly with **Soviet** leader Gorbachev yesterday, according to press . . . first official contact in almost five years . . . terse Soviet press coverage suggests Moscow still wary of **Syrian** reaction. []

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Europe

- Parliamentary approval Tuesday of outline for constitutional reform paves way for **Belgian** election next month . . . new government may briefly include Socialists for two-thirds majority needed to pass reforms, will probably be short lived. []

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East Asia

- GATT has ruled against **Japan** on agricultural protectionism, not yet officially announced . . . Tokyo may liberalize market slowly . . . considering imposing some surcharges to offset likely domestic losses for farmers. []

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- Former Ambassador to US Zhang Wenjin to represent **China** at anniversary celebrations in **USSR** . . . possibly substituted for retired General Wu Xiuquan because of illness . . . arriving after meeting of senior party representatives. []

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Special Analysis**LIBYA-CHAD:****Leadership Disparities at the Front**

The superior motivation, command flexibility, and desert fighting experience of Chadian commanders have earned them victories in four of five major battles with Libyan forces this year, despite Libya's advantages in manpower and weaponry. These qualities will play a decisive role when fighting resumes because Muammar Qadhafi can do little to remedy Libyan leadership deficiencies.

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Chadian President Habre has selected his principal commanders from the leading families of the nomadic northern tribes that are the backbone of his Army. In the war with Libya, these officers are fighting for and in their native territory.

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Most of Qadhafi's commanders and troops do not share his ambitions of conquest. Absentee leadership has also contributed to low morale, poor performance, and a growing desertion problem.

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Habre involves his commanders in strategic planning and allows them considerable latitude during combat.

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This flexibility has facilitated operations far from Chadian staging areas, such as the attack on Ma'tan as Sarra airfield in southern Libya in September.

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Libyan commanders have a much more restricted role. Qadhafi himself almost certainly dictated the orders for Libyan attacks on Fada and Aozou even though Libyan commanders in the field probably saw little military justification for those operations.

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Most of Chad's field commanders have lifelong experience with desert fighting. Habre traces his mastery of mobile offensive tactics to lessons learned in his youth. Libyan commanders, on the other hand, rely on more conventional tactics, often trained by Soviet advisers. In addition, Qadhafi generally has removed defeated commanders, preventing the accumulation of experience in the new combat arena.

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Qadhafi evidently is aware of Libya's leadership deficiencies and has assigned some of his more trusted commanders to the Chadian front. The current one, 'Ali al-Rifi al-Sharif, has developed extensive battlefield experience in the past few years and commanded troops during the retaking of Aozou village. But the task of motivating his officers and improving their professionalism is probably too great for Sharif, and Chad will keep the edge in leadership.

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